

TRUSTEES' REPORT AND ACCOUNTS 2017



**THE DONKEY
SANCTUARY**



WORKING WORLDWIDE

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Cover picture: a donkey in Palestine — thanks to our donors and supporters, we work around the world to help working donkeys and mules, and the people who depend on them for their livelihood.



The staff and volunteers at our sanctuaries work hard to ensure donkeys such as Sigwell and his friends receive the best care for health and wellbeing.

MESSAGE FROM THE CHAIR OF TRUSTEE DIRECTORS

It has been an exciting time for The Donkey Sanctuary in 2017, representing the final year of a successful five-year strategy period. Thanks to the dedication of the charity's staff, volunteers and supporters, we have made significant gains in the UK and overseas as we pursue our mission to help donkeys, and those who depend on them, wherever there is need. As Chairman of Trustees it gives me great pleasure to introduce you to the facts and figures behind our work, as well as some of the stories that illustrate just why our efforts are so important both at home and internationally.

Last year, we provided sanctuary to nearly 7,000 animals on our farms and sanctuaries, attended to over 1,300 welfare visits in the UK and opened a new hospital that will give care to donkeys and mules for decades to come. In the last five years, we increased the number of donkeys in our rehoming scheme from 1,500 to over 2,000 in the UK and mainland Europe, and developed our donkey-assisted therapy programme to help more children and adults with additional needs. Our global outreach increased the number of countries in which we work and support projects from 27 to 38, transforming lives through direct care, community training, and partnership work to improve the way donkeys are treated, including better harnesses, dentistry and farriery.

As trustees of The Donkey Sanctuary, we are consistently reassured by the combination of generous giving together with thoughtful working practices among staff and volunteers. We know we make a real difference to animals experiencing abandonment, overwork, neglect and abuse.

Thank you for your continued interest in our aims and the support you provide. It is collectively that we make possible our goal of improving the lives of donkeys and mules around the world.



Stuart Reid



Like all living creatures, whether domesticated or wild, donkeys have the right to a life free from suffering, where their social and intelligent natures can flourish.

THANK YOU

The Donkey Sanctuary relies entirely on donations to carry out its objectives. We are indebted to our supporters, donors, staff and volunteers. Without their support and encouragement, we would not be able to work towards our goal of a world where donkeys and mules live free from suffering and their contribution to humanity is fully valued.

Here are just some examples of our successes from 2017 — thanks to your support.



JACKIE'S HOSPITAL TREATMENT

Our new hospital opened at Brookfield Farm, Devon, in May, replacing the old hospital at our Sidmouth sanctuary. Treating sick donkeys both inside and outside our care, and training vets both nationwide and worldwide, the new hospital enables us to carry out more procedures and treatments than previously. Recent patients include Jackie, who at just one-year-old was admitted with a laceration to the inside of one of her fore-legs. The wound, likely to have been caused by overreaching with her rear hooves while playing, had become infected and needed specialist care. Jackie was given antibiotics, and a heavy bandage applied to prevent her from re-opening the wound. Vets scanned the area by ultrasound to check for foreign bodies and took radiographs to make sure there were no bone chips. With expert care and her friend Stephanie by her side the whole time, Jackie has made a full recovery.

HELPING CANCER PATIENTS

Our donkey-assisted therapy programme benefited more children and adults with additional needs following the launch of a pilot partnership with CLIC Sargent, the UK's leading charity for young cancer patients and their families. Leighann Hickinson, 22, was among those who took part in donkey-assisted therapy at our Belfast sanctuary while recovering from the ordeal of undergoing surgery and chemotherapy for a brain tumour. "The calming presence of the animals really helps in a way that's hard to explain," she says.

“Children and adults learn from their physical and emotional experience with these exceptional creatures.”

Caron Whaley,
director of donkey-assisted therapy



FEEDING THE HUNGRY IN TANZANIA

We responded to emergency calls in Tanzania, where donkeys and their owners faced devastation after failing rains had made regions of the country as barren as a desert, with no plants growing and water points drying up. We teamed up with our local partner, Tanzania Animal Welfare Society to distribute much-needed food to donkeys.

“ Donkeys, weakened by hunger, were having to work even harder for their owners in the local communities. Thanks to donors like you responding to our appeal, we funded an urgent feeding programme that saved so many donkeys from suffering.

Simon Pope,
rapid response and campaigns manager

RESCUING TIMMY AND TOMMY

Timmy and Tommy are among the desperate donkeys we rescued in the UK last year thanks to the generosity of supporters. We found them in a pitiful state, hidden away in unimaginable squalor in a barn in Yorkshire. As their owner faced charges under the Animal Welfare Act, our healing and nurturing work got underway.

“ After a few months at The Donkey Sanctuary following their tortuous ordeal, Timmy and Tommy regained health and their individual characters began to shine through.

Hannah Bryer,
senior welfare adviser

**Thank you from the
bottom of our hearts**

MESSAGE FROM THE CHIEF EXECUTIVE



It was my privilege during 2017 to experience so much vital work being carried out at our UK sanctuaries, and by our projects overseas.

At home I had the opportunity to witness the expertise, dedication and compassion of staff and volunteers, from the welfare advisers called out to rescue donkeys from abuse and neglect to the grooms, vets and farriers who maintain such high welfare standards for the donkeys and mules in our care.

Just one of many such cases was the rescue of seven donkeys in Staffordshire, suffering chronic pain as their owner had failed to trim their overgrown hooves. The donkeys are now doing well in our care, and after they arrived it was found that five of them were in foal.

To increase the impact of our veterinary care and research, we also opened a new hospital in Devon to treat sick donkeys both inside and outside our care. Another significant development was an increase in the number of donkeys in our rehoming scheme from 1,846 in 2016 to 2,051 in 2017, in the UK and mainland Europe.

Further afield the issues faced by donkeys are very different and a donkey suffering in Africa is every bit as deserving as a donkey in Sidmouth. We need to be there for both of them.

During visits to Kenya, Tanzania and Namibia we witnessed first-hand the suffering caused by the unsustainable rise in the theft of working donkeys for the skin trade.

Violet Antete, a donkey owner in Tanzania, summarised the plight of many: “When the kids visited the donkeys, they discovered one, Tabu, was missing. We went looking for her but found only her discarded corpse. Only the skin had gone. We now have one less donkey to fetch our water. They assist the family in collecting water during the rains, and their work is even more important when there is drought. We have lost a vital part of our family.”

Our response to such global challenges combines grass-roots initiatives with advocacy and awareness-raising in order to make a sustainable impact. While collaborating with local partners on community education and training projects, we consulted governments, non-governmental organisations and the international media to garner support.

One of many high-level meetings was at the United Nations where I had the opportunity to demonstrate the critical role donkeys play in achieving the UN’s Sustainable Development Goals (SDGs), which aim to end poverty, protect the planet and ensure prosperity for all.

The great strength of The Donkey Sanctuary is how we provide both practical help for individual donkeys and influence top decision makers by persuading them of the urgent need for donkey welfare, and giving them ideas about how to achieve it.

There are an estimated 50 million donkeys and mules in the world and we can’t possibly reach them on our own. Our ability to transform the lives of the millions of animals that need us depends on persuading others that this will make a real difference, not only to donkeys but the people who rely on them.

Our focus in the year ahead is to develop as a beacon for donkey welfare all over the UK, and our international and advocacy work will focus on reaching donkeys at scale around the world.

Mike Baker
Chief Executive



As well as funding our partner Tanzania Animal Welfare Society to distribute food to donkeys affected by the failing rains, we worked with the local Meru Animal Welfare Organisation, funding this partner to conduct community training sessions for welfare-friendly harness design. Local women then became trainers for their communities, to ensure knowledge transfer is sustained.

VISION, MISSION AND VALUES

OUR VISION

A world where donkeys and mules live free from suffering, and their contribution to humanity is fully valued

OUR MISSION

To transform the quality of life for donkeys, mules and people worldwide through greater understanding, collaboration and support, and by promoting lasting, mutually life-enhancing relationships.

OUR VALUES

Compassion, collaboration and creativity are The Donkey Sanctuary values. They are the key to our journey as they represent what we stand for and what we measure ourselves against.

Compassion

The Donkey Sanctuary is above all else compassionate. We never turn away from a donkey in need. Donkeys and the people who rely on them for their livelihoods lie at the heart of everything we do, as we help them cope with physical, mental and emotional challenges. We act as a global driving force for caring, both for suffering donkeys and mules, and for all those people whose lives they touch, generating understanding and support all over the world.

Collaboration

The Donkey Sanctuary is collaborative in all its activities, working through a worldwide network of partner organisations, communities and individuals. We work inclusively with people frequently marginalised within their own countries and communities, whether due to poverty, ignorance, race, gender or disabilities. We treat every interaction as a two-way opportunity to learn and teach. We know that it is only together that we can help donkey owners and carers become donkey-welfare ambassadors wherever they live and work.

Creativity

The Donkey Sanctuary's goals are ambitious, but our resources are finite — which means we must exercise creativity to meet the ambitious goals we set ourselves. Creative thinking underpins everything we do, whether adapting locally available materials for donkey-friendly harnesses across projects that span four continents, developing human-donkey interaction activities tailored to the unique challenges of children and adults with additional needs, or reaching donkey-owning communities in the midst of man-made or natural disasters.



Over a million people in Mexico City live without piped water. Donkeys provide a vital lifeline to families by collecting water supplies from delivery trucks (pipas). The Donkey Sanctuary Mexico helps these donkeys by providing healthcare for problems including harness wounds, lameness, malnutrition and mistreatment. They also offer guidance to owners to help them break the cycle of poor welfare, through improved harnesses, reduced loads, and better communication and understanding of donkey behaviour.

EMERGING ISSUES

During 2017, we raised awareness of one of the most significant issues for donkeys in the world right now — how the skin trade is killing as many as four million donkeys each year to provide the key ingredient – gelatin – for the traditional Chinese medicine, ejiao.

Our Under the Skin report, published in January 2017, was an urgent response to this unsustainable trade. As well as involving the inhumane slaughter and transportation of animals, it involves the theft of working donkeys in Africa, Asia and South America which is causing socio-economic devastation to the people who depend on these animals for their livelihood.

Since launching our campaign we have played a pivotal role in several countries standing against or halting the development of the skin trade, including Namibia, Botswana, Zimbabwe, Tanzania, Uganda and Ethiopia. We secured exposure in the media including BBC News, and successfully lobbied eBay to immediately stop selling ejiao products on their websites.

We also made our first visit to China, jointly with World Horse Welfare, to better understand the country driving the global trade in donkey skins for ejiao products.

Our advocacy work has complemented our Under the Skin campaign by demonstrating to opinion formers the critical role of working equids in achieving the United Nation's Sustainable Development Goals. We have highlighted the negative impact caused to communities when their animals are poached for the skin trade.

While there remains much work to be done, we are encouraged by the scale of breakthroughs, and how our groundwork and lobbying, and our networking in China, is identifying further solutions.





In Baringo, Kenya, hundreds of donkey skins dry in the sun as part of the production process of ejiao. Large-scale donkey slaughterhouses are known to have been established in Kenya and other areas of Africa, with the continent's huge donkey population a key target for the skin trade.

RESCUE AND REHOMING

Thanks to our supporters and donors we continued through 2017 to provide rescue and rehoming services to thousands of donkeys in distress across the UK, Ireland and Europe.

We provided sanctuary to nearly 7,000 donkeys and mules, all of whom can now look forward to a life in a loving home. Of these, over 2,000 donkeys and mules enjoyed the direct care and friendship of families through our Rehoming Scheme.

The Donkey Sanctuary's Spanish operation El Refugio del Burrito rescued or relinquished 95 animals last year, and directly rehomed 71 of them. The Donkey Sanctuary Ireland rescued 141, 65 of whom had been found abandoned as a consequence of indiscriminate breeding. One of our welfare advisers in Ireland discovered a foal, Roma, stuck in a bog, trembling with cold. After emergency treatment for hypothermia and shock, Roma has settled in to our sanctuary in Lis Carroll, County Cork.

Our research work made further advances on enrichment programmes that are essential to improving the wellbeing of the donkeys in our care, just as food and bedding are essential to their welfare needs. A therapeutic part of care for a donkey is daily contact with grooms, but toys, forage boxes and food hidden in logs also provide mental stimulation for inquisitive donkeys, and help improve social interactions between donkeys in their herds.

To help tackle the abandonment problem in Ireland, we introduced a Donkey Welfare Improvement Scheme (DWIS) to improve the welfare of donkeys in private ownership in Ireland, and reduce incidents of cruelty and neglect. This scheme is encouraging people that may need help with their donkeys to contact us to enquire about veterinary improvements such as castration, microchipping, veterinary treatment and farriery.

During the year, we continued our work to improve habitats for the wildlife on our farms: volunteers have helped us lay hedges as a traditional method of encouraging wildlife.

Finally, with the help of our generous supporters we opened our new veterinary hospital, replacing the old hospital at the main Sidmouth sanctuary with more up-to-date premises at nearby Brookfield Farm. The opening takes our medical care to new heights as we give life-saving medical care to donkeys both inside and outside our sanctuaries, and train vets and donkey handlers both nationwide and worldwide.

A SUSTAINABLE FUTURE

With our sanctuaries becoming full to capacity, rehoming more pairs of donkeys by finding them loving homes in the wider community is an increasingly important goal so we can continue rescuing those donkeys in desperate need of sanctuary. Some ill-treated donkeys thrive on the special attention they receive when placed in caring homes. That's why we use a variety of ways to respond to a donkey in need, such as finding a loving home, supporting owners through behaviour and husbandry training, providing expert advice, and helping people find new homes for their donkeys when they can no longer care for them. In 2018 we will continue to address the root causes of relinquishments.



Our Spanish team found an elderly mule, Xarqui in a terrible abandoned state. Starving and too weak to survive alone having been dumped on a remote hilltop by his owner, he was rescued to the safety of our sanctuary north of Malaga, El Refugio del Burrito.

WORKING WORLDWIDE

The situation for donkeys and mules in the modern world is complex and ever changing, and never more so than in 2017. For example, in some areas large populations of donkeys living in the wild — animals that have been abandoned when their services are no longer needed — face uncertain and traumatic futures. Elsewhere, the increasing use of donkey products in China is driving up the demand for donkeys, bringing a completely new set of challenges. Meanwhile many millions of donkeys worldwide are used from infancy into their old age in the construction industry all over the developing world; in tourism on several continents and, of course, as vital transport for communities reliant on donkeys for their livelihoods.

This year we have had to use all our ingenuity to address the welfare needs of donkeys and mules in the face of such wildly diverse challenges. We relieved donkey suffering directly through the hands-on care of our project teams worldwide. At the same time, training and advising others to do the same, and helping them to build welfare infrastructures. It's through this collaborative work that we can have a mass impact and it's something we plan to build on and expand in 2018. Vivaly, we know that in helping donkeys we help the people who depend on them for their livelihoods too; another reason, should we need one, why driving forward our international projects is so very important.

In 2017, we increased the number of countries in which we work and support collaborative projects from 27 to 38.



SRI LANKA — case study

Our partners Donkey Sanctuary India made progress in Sri Lanka during a recent visit by providing help to Bridging Lanka, an organisation setting up a Donkey Clinic and Education Centre. The team helped with the design, ensuring provisions for stallions, mares, isolation units for new donkeys, and a path for tourists to see the work. They also attended sessions of the donkey-assisted therapy programme helping improve the physical and emotional wellbeing of children with additional needs.



GHANA — case study

Through the Ghana Society for the Protection and Care of Animals, we funded a scoping project to unearth the impact that the donkey skin trade is having on population numbers in Ghana. The findings are informing our wider project to tackle the biggest welfare issue facing donkeys today.

EGYPT — case study

In the brick kilns of Egypt, we continued to support the Egyptian Society for the Protection and Welfare of Working Animals in improving conditions for mules and donkeys by providing veterinary treatment, farriery, and vital education for brick kiln owners and workers.



ZIMBABWE — case study

We saw the positive effects of previous harness workshops in Africa, such as one in Tanzania which helped a harness maker called Aaron return to Zimbabwe armed with the knowledge and skills to train others, enabling sustainable improvements for donkey welfare.

NEPAL — case study

With our support, Animal Nepal made important progress in securing legislation for pack animals, safeguarding the welfare of working donkeys and raising the profile of animal welfare within the Government of Nepal. Outreach work is intensifying in the 18 brick factories, including the introduction of a Model Watering Facility, addressing the lack of safe water for the working mules and donkeys. With our funding, Animal Nepal also sent a rapid response team to help during the disastrous floods which hit the country.

DONKEY-ASSISTED THERAPY

Introduced to our UK centres over 40 years ago by our founder Dr Elisabeth Svendsen, our donkey-assisted therapy programme for children and adults with additional needs continued to evolve. Following trials in 2016, we rolled out the development whereby children spent less time on the back of the donkey, and more time interacting and engaging with the donkey in other ways.

This approach sees children and adults learn through experiencing and discovering things about the donkeys through hands-on interaction. It provides more opportunity for a connection between donkey and human on an emotional as well as a physical level, and is helping us to better understand how these magical moments of engagement can enrich the donkey's life alongside that of the person.

In 2017, we expanded these services to other groups such as sufferers of post-traumatic stress disorder, and improved our understanding of the impacts of donkey facilitated learning on vulnerable people.

We launched a pilot partnership with CLIC Sargent, the UK's leading charity for young cancer patients and their families. Annaliese Laffan, 20, and Leighann Hickinson, 22, took part in several weeks of donkey-assisted therapy at our Belfast sanctuary.

CLIC Sargent social worker Simon Darby said: "Every week I watched in awe at something I knew very little about. I experienced goose-bump moments where the young people were talking about issues that many cancer survivors would struggle with. Leighann and Annaliese have transformed."



Our staff facilitate the programme but donkeys do the work – their bond with humans is independent and intuitive, and their connection with people both teaches us about them, and teaches us about ourselves. Children and adults learn from their physical and emotional experience with these exceptional creatures.

Caron Whaley,
director of donkey-assisted therapy



Donkey-assisted therapy helped teach schoolgirl Millie to rebuild her confidence after bullies made her life a misery. The ordeal left eight-year-old Millie withdrawn but, after a 12-week programme at our sanctuary in Birmingham, she built the confidence she needed to continue her school classes. During the sessions, Millie worked with Charlie, Oscar, Jacko and Jimmy, taking part in learning activities that allowed her to interact, and explore aspects of looking after them. Millie's time with the donkeys helped her develop life skills such as resilience, communication, managing emotions and empathy, and saw her become more open and chatty over the course of the sessions.

CONSIDERING THE FUTURE

Thanks to our supporters and donors, we have so much to celebrate.

IN 2017

Last year was the final year of a successful five-year strategy period that saw us grow in impact, profile and income. During this time, we have achieved a lot in the UK as well as overseas:

- provided a home on our sanctuaries, farms or through our rehoming scheme to nearly 7,000 animals
- attended to over 1,300 welfare visits in the UK and to over 900 welfare complaints in Ireland and mainland Europe
- opened a new hospital that will give vital care to donkeys and mules for decades to come
- increased the number of donkeys in our rehoming scheme from 1,500 in 2012 to over 2,000 in 2017, in the UK and mainland Europe
- increased the number of countries in which we work and support projects from 27 in 2012 to 38 in 2017
- played a pivotal role in several countries standing against or halting the development of the skin trade, including Namibia, Botswana, Zimbabwe, Tanzania, Uganda and Ethiopia
- transformed the lives of donkeys worldwide through community and partnership work to improve the way donkeys are treated, including better harnessing, dentistry and farriery
- championed the contribution of donkeys and advocated for their needs by working with governments, the media and other NGOs worldwide, including the World Organisation of Animal Health (OIE), the Food and Agriculture Organisation of the United Nations (FAO), the World Bank and nine veterinary associations around the world
- launched the new Visitor Centre at our Sidmouth sanctuary, including The Kitchen restaurant, Exhibition Barn and Gift Shop
- increased our income from £27 million in 2012 to over £37 million in 2017 to finance this work.

IN 2018

Our goal for 2018 and beyond is to transform the welfare of donkeys and mules and elevate their status across the world.

Following extensive consultation with staff and trustees, 2018 will be a year of intense preparation to develop The Donkey Sanctuary's next five-year strategy, which will take us from 2019 to 2023. The new strategy outlines our plan to take our work for donkeys and mules to a new level, both on home ground in our farms and sanctuaries and through our global programmes of work.

The strategy describes exactly why donkeys matter so much, both for their own sakes and for the pivotal impact they have on the human beings they live among, and the key issues that challenge donkeys' wellbeing worldwide today. It also describes the approach we will need to take to combat these issues.

In 2018, we set the groundwork towards our goal to transform the welfare of donkeys and mules and elevate their status across the world. This goal is underpinned by six key operational aims:

- 1. We will ensure that every donkey in the UK can live a happy and healthy life**
- 2. We will transform the lives of working donkeys in greatest need across the world**
- 3. We will dramatically reduce the number of donkeys suffering in the production of meat, milk and skins**
- 4. We will ensure that every donkey affected by a major disaster receives prompt and expert care**
- 5. We will transform the status of donkeys, demonstrating the positive impact they have on human health and happiness**
- 6. We will transform people's negative attitudes to feral donkeys.**

Thanks to such incredible support received during 2017, we are confident that in the coming years we can have an even greater impact on the millions of donkeys around the world. In fact, it is our duty to do that.



LOOKING AFTER OUR SUPPORTERS

It is vital that we are transparent in all our activities, and our supporters are at the heart of everything we do. Our life changing work is only possible because of the enduring commitment of supporters, who we consider to be part of our family. Their generosity makes it possible for us to reach and transform the lives of donkeys and communities that depend on them.

Our supporters are extremely loyal and trusting of how we use their donations. And we are very grateful for that trust.

We raise funds through collection boxes and engaging visitors at our farms, centres and sanctuaries as well as promoting our work and events online and on television. We run a series of successful, annual supporters appeals as well as our popular raffles programme. Sometimes, we use external fundraising agencies to help us deliver our fundraising campaigns, where they have specific knowledge, expertise and experience. We regularly monitor and review our fundraising activities and the activities of agencies that fundraise on our behalf. We deliver regular training to those agencies and listen to call recordings to ensure any agency partners are meeting our standards.

The Donkey Sanctuary is committed to delivering the highest standard of service at all times. However, in the event of any breach in standards, we have a fair, simple and easy-to-access complaints procedure so we can resolve things satisfactorily.

Since the inception of our new complaints policy, which came into force in September 2017, we have received and logged seven in the fundraising category, and we are committed to learning from any complaints.

We have policies and procedures to foster mutually respectful and positive supporter relationships, to ensure we treat donors fairly and to help us protect vulnerable people. With the introduction of the General Data Protection Regulation in May 2018 we have further strengthened our procedures around communication preferences, making it easier for supporters to define how they would like us to communicate with them.

The Donkey Sanctuary voluntarily subscribes to the Fundraising Regulator and we have professional fundraising staff who are members of the Institute of Fundraising. The charity is also a member of the Direct Marketing Association and complies with the regulations of the Gambling Commission.

We regularly monitor and review our fundraising activities and those of the external agencies that fundraise on our behalf. We deliver regular training to those agency partners to ensure they meet our standards.



Our dedicated supporters raised funds for the charity in a variety of ways with community fundraising initiatives ranging from taking part in a sponsored bike ride or run to giving time to knit the cuddly donkeys sold in our gift shops. Whether dedicating just a few hours to a charitable venture, or embarking on a dream challenge such as a first marathon, we truly value everyone's support.

FINANCIAL REVIEW

The Donkey Sanctuary's financial performance for 2017 was encouraging, with consolidated total income reaching £37.6m (2016: £38.3m).

We increased total expenditure, including capital, to £42.0m (2016: £38.8m), an increase of 8%, and ended the year with general funds of £42.9m (2016: £43.4m).

INCOME

The Donkey Sanctuary continues to be reliant on the kind generosity of our supporters and the voluntary income they donate to help our work. While income from donations rose by 3% against the previous year, total voluntary income fell by 3% due to the exceptional legacy income received in 2016.

We experienced continued success from our fundraising strategies including strong growth in our adoptions scheme, investment in online fundraising activity and our ongoing initiatives to promote regular giving. We worked hard to not only introduce new supporters to the charity, but also to ensure we engage with our existing supporters through fundraising and communication activities that increase awareness of the impact of our work across the world.

Legacies continued to be an important source of income for us and, in 2017, we are grateful to all who have remembered us in their will.

In 2017 legacy income fell slightly to £23.3m (2016: £24.8m), a decrease of 6%, the reduction reflecting an exceptionally strong end to 2016 for legacy income. We are confident that our legacy income will continue to provide a robust source of income in 2018 and beyond with new high value giving strategies planned for the year ahead.

Income generated from other trading activities increased to £2.9m in 2017 (2016: £2.5m). During the year, we completed construction of The Kitchen, our new restaurant facilities in Sidmouth, and the Gift Shop and interpretation area for visitors. The new facilities provide an opportunity to attract more supporters to our sanctuary, the resulting increase in visitors helping to increase income from our trading and other on-site fundraising activities. All profits from our trading subsidiaries' activities are donated back to the charity to help transform the lives of donkeys in need.

EXPENDITURE

Total expenditure for the year, including investment in capital projects, grew to £42.0m (2016: £38.8m). In 2017 operational expenditure on our charitable activities increased by 8% to £28.8m (2016: £26.7m).

During the year, we increased investment in our Rehoming Scheme, our global programmes activities and advocacy work, our skin trade campaign activities, and our donkey-assisted therapy work.

We advanced with our rehoming strategy including the promotion of direct rehoming with Donkey Guardians who can offer caring homes for two or more of our donkeys. By extending our investment in 2017 we helped to increase the number of donkeys rehomed in private homes, schools and other institutions and worked towards our objective of increasing the number of rehomed donkeys to 3,000.

Our investment in Donkeys in the Community increased by 5% to £4.3m. 2017 was a period of transition for our Global Programmes team as we continued activity across our core projects in Mexico, Kenya, India and Ethiopia as well as extending our collaboration with other like-minded organisations across the world. During the year, one of our most significant projects was our donkey skins campaign. This involved our newly formed advocacy team consulting with governments, other non-governmental organisations and the international media to garner support. In order for us to make a sustainable impact, advocacy and awareness-raising will form a key activity in the future.

In 2017, we saw an increase of 13% in expenditure on donkey-assisted therapy, reflecting growth in activities across our centres and outreach programmes as we expanded our services to other groups such as sufferers of post-traumatic stress disorder. Our new strategy provides learning through experiencing and discovering things

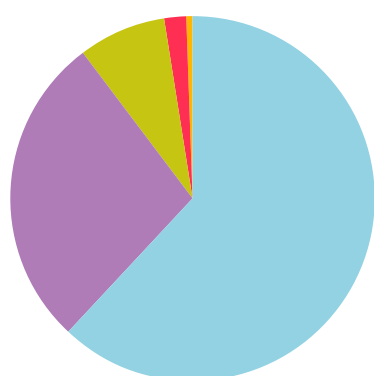
about the donkeys through hands-on interaction and provides more opportunity for a connection between donkey and human on an emotional and physical level.

Finally, in order to support our expanding operations and continue the success of the charity, we have invested in our new fundraising activities.

Particular attention has been paid to ensure the charity complies with new regulations both from the Fundraising Regulator and from the Information Commissioners Office in respect of General Data Protection Regulation (GDPR). The increase in fundraising activity combined with further enhancement to our internal

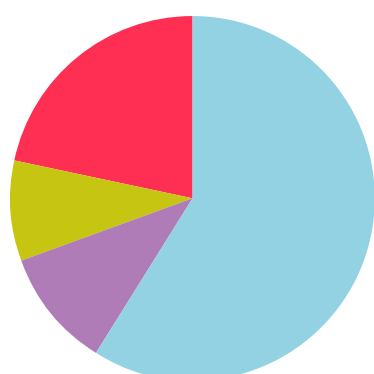
controls to be GDPR-ready is reflected in the increase in expenditure on raising funds (including trading costs) to £8.6m in 2017 excluding capital (2016: £7.2m). The proportion of our expenditure attributed to raising donations, legacies and other fundraising income remains low, at 17.6p (2016:16.8p) for every £1 of total expenditure. The trustees continue to monitor the risks associated with the changing landscape of fundraising and data protection regulation and the potential for reduced levels of income in 2018 and beyond. Through our ongoing maintenance of robust financial controls and other internal measures, we are able to closely monitor the charity's fundraising performance to mitigate this risk and take suitable action as required.

2017 INCOME



	2017 £'m	2016 £'m
Legacies	23.3	24.8
Donations	10.5	10.2
Other trading activities	2.9	2.5
Investment income	0.7	0.7
Other	0.2	0.1
Total	37.6	38.3

2017 EXPENDITURE (including capital)



	2017 £'m	2016 £'m
Rescue and rehoming	23.6	22.9
Donkeys in the Community	4.4	4.1
Donkey-assisted therapy	3.9	3.5
Raising funds inc trading costs	10.1	8.3
Total	42.0	38.8

NET ASSETS AND FUNDS

The trustees operate a reserves policy to ensure the continued ability of The Donkey Sanctuary to meet its objectives. The trustees are aware of the potential volatility of income levels and the significant proportion of our total income from legacies. They completed a review of the reserves policy recognising that, while the existing policy had provided a robust platform in maintaining reserves sufficient to cover at least one year's expenditure, a more agile and forward thinking model would be required to link in with our new five-year strategy and plans for growth.

The new policy recognises the specific reserves needed to fund our core activities reflecting the financial risks the charity faces, our ongoing committed expenditure and the composition of readily available funds to meet day-to-day activities. The policy will allow us to invest in a dynamic programme of strategic growth, driving forward our ambitious initiatives to transform the lives of donkeys at scale. The policy is kept under periodic review and reserves levels are adjusted as perceptions of risk and other factors change.

In terms of our total assets, £32.4m (2016: £29.9m) relates to fixed assets and planned capital projects, most of which is land and buildings to care for donkeys across sanctuaries. During the year, we completed construction of our new veterinary hospital and, at our main sanctuary in Sidmouth, we completed our new visitor facilities introducing an interpretation centre, a better gift shop and restaurant from which proceeds support our work across the world.

General funds of £42.9m (2016: £43.4m) comprise:

- specific reserves of £23.3m to take account of core operating activity including the many risks and uncertainties that the charity may face such as potential reduction of future income.
- general reserves of £19.6m representing those funds available to accommodate medium to long term growth in the charity, and for the trustees to apply to specific transformative strategic projects.



One of the first patients at our new veterinary hospital was Sid, who was losing weight due to diastema (a gap between teeth which traps food). Sid arrived with his mule friend, Mille, was sedated, inspected with a dental endoscope, and treated. He was given an injection of anti-inflammatory medication, and returned to the hospital stables for monitoring before being returned home.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have responsibility for the oversight of risk management within The Donkey Sanctuary and take an active part, along with the chief executive, senior managers and the executive team, to review risk on a regular basis. Each review incorporates an assessment of the impact and likelihood of individual risk, the actions that have been taken to mitigate or control risks, the effectiveness of our risk management controls and whether there are new risks for the charity that need to be considered.

Alongside the risk review process the trustees operate an established programme of audit and assurance activity to provide assurance that operational and financial controls are sufficiently robust to mitigate the principal risks and uncertainties the charity faces. Our internal auditors work with operational teams across the charity to test our internal controls and provide recommendations for enhancements where appropriate. It is recognised that our systems and internal controls can only provide reasonable, and not absolute, assurance that major risks have been adequately managed.

PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE DONKEY SANCTUARY, AND MITIGATING ACTIONS:

RISK	MITIGATING ACTION
Fundraising restrictions: New fundraising regulations and standards may impact on our capacity to raise sufficient funds to deliver current strategic objectives and future planned and emergency activities.	During 2017 new fundraising practices and procedures were put in place to ensure full compliance with new fundraising regulations and standards. Although we are fully compliant with the current regulatory framework, we will continue to need to invest in our quality control framework to ensure our practices remain compliant with new requirements. Our 2018 plans acknowledge continued uncertainty in our fundraising environment by investing in fundraising innovation and developing deeper engagement with our supporters. Our reserves policy provides sufficient contingency to ensure we remain able to deliver our charitable aims in 2018 and beyond.
Relinquishment: A high level of abandonment or relinquishment of donkeys from other private or registered donkey sanctuaries to The Donkey Sanctuary, which creates the risk of a lack of capacity and the potential for compromised quality of donkey care (i.e. we will be unable to cope with high volume relinquishment).	The charity has an extensive network of connections with other like-minded organisations across the UK and overseas with an established protocol in providing advice and guidance to support those organisations in need, making recommendations to enhance operating models and hence minimise the risk of relinquishment.

Capacity and skills: Lack of capacity and skills in some areas of the organisation may lead to difficulty in the implementation of organisational change and delivery of strategic objectives.

In 2017 we completed the restructuring of a number of operational teams in the context of planning for our new strategic plan and as part of that process we identified areas to strengthen capacity and skills. During 2018 we will be progressing with our new strategic plan and this will encompass a suitable resourcing plan to ensure continued success, building capacity, with support to ensure the health and wellbeing of our workforce.

Safeguarding: Inadequate organisation wide Safeguarding policy and inconsistent application of related training, awareness and procedures could present a safeguarding risk to staff, volunteers, beneficiaries and/or donors.

A safeguarding review commenced in 2017 covering a number of operational areas and this helped to identify some enhancements to our approach together with a wider review of activities to take place in 2018. Our plans for 2018 include engaging an independent consultant to extend the review of our existing policies and practices and implement any changes recommended.

Health, safety and security: Due to the diversity of activity of the charity both across the UK and overseas there is a risk of failing to maintain appropriate health, safety and security for staff, volunteers and other beneficiaries.

Health and Safety policies and procedures are in place to maintain safe and healthy working conditions, equipment and systems of work for all our employees and volunteers to provide such information, training and supervision, as they need for this purpose. We recognise that our responsibility also extends to others who are not in our employ but who may be affected by our activities.

Data governance: Failure to maintain up-to-date data protection and information governance arrangements, in line with legislative, regulatory and contractual requirements, may result in a mishandling of data.

Data protection policies are in place and are reviewed to ensure our internal processes are robust and comply with any new legislative, regulatory or contractual requirements. Data protection training is compulsory for all volunteers and staff. The training has been designed to ensure awareness of our duty to protect data and support implementation of our internal policies and procedures on data protection and information governance.

Cyber security: Failure to ensure and maintain appropriate information security protocols to protect the charity from cyber-attack.

In 2017, we completed a strategic review of IT and this included an evaluation of current information security protocols and IT infrastructure. During 2018 we will be implementing the recommendations from the review.

Negative media coverage: Failing to deal with an increasing trend of negative media coverage can cause reputational damage for any business, but for charities, many of which are almost entirely reliant on donations it can severely impact the capacity to raise funds as well as impacting the ability to attract high quality staff and forge vital partnerships.

The charity has comprehensive and stringent risk management policies and processes in place as well as an effective communications strategy providing communications that inspire trust and loyalty to our cause, that is proactive in advance of events, and prepared if, however unlikely, something untoward were to happen.

GRANT MAKING

The Donkey Sanctuary continues to provide grant funding to overseas organisations whose objectives are similar to those of the charity. Longstanding relationships exist with three overseas organisations: The Donkey Sanctuary, India and the Egyptian Society for the Protection and Welfare of Working Animals were established by the charity for the furtherance of its objects in India and Egypt; The Faculty of Veterinary Medicine at the University of Ethiopia is an organisation with which the charity has operated donkey health and welfare projects for many years. Within all three of these projects, well-established processes exist to monitor progress, including periodic detailed financial reporting to the executive team.

The charity receives numerous applications for grant funding throughout each year from individuals and organisations, and each application is given careful consideration by the executive team in the context of the charity's overall strategic objectives and in terms of financial resources available. Grant-funding agreements are subject to approval by the executive team and contain provision for regular reporting of progress against set objectives, as well as providing suitable financial reporting.

INVESTMENT POLICY

The trustees have established an investment policy for the charity that covers:

- an investment portfolio in equities, bonds and other listed investments, long-term in nature and administered by investment managers on a discretionary basis.
- an investment portfolio of low-risk corporate bonds, medium-term in nature and administered by investment managers on a discretionary basis and;
- cash held in term deposit accounts administered through a combination of fund managers and the executive team.

The charity's listed investments are managed through a discretionary fund management agreement with Investec Wealth & Investment Limited (Investec). The agreement confirms the stated investment objective to preserve and grow the invested sum through a balanced investment portfolio of income and capital

growth while adopting a medium-risk approach for listed investments and a low-risk approach for corporate bonds.

The investment policy includes the trustees' approach to ethical investment. The trustees have due regard for the underlying principle that their power of investment has to be used to further the purposes of the charity, and that those purposes will normally be best served by seeking the maximum return consistent with commercial prudence. The resulting ethical investment policy confirms that the charity should not make any direct investment with an organisation:

- whose activities conflict with the objects of the charity;
- whose main activities relate to tobacco;
- whose activities cause pain, suffering, distress or lasting harm, specifically those within Ethical Screening's "Animal Testing Non-Medical Discovery & Development" and "Animal Testing Non-Medical Ingredients" classifications except:
 - where testing is mandatory by law,
 - where the organisation is only a retailer; or
 - where there exists a fixed date for cessation of testing.

Any companies that are deemed unacceptable under this policy are removed from the portfolios within six months of being notified.

Periodic meetings are held between Investec and selected executives of the charity, and on at least one occasion during each financial year Investec meets with trustees and executives of the charity.

Any balance of surplus funds held by the charity and not managed by Investec continues to be invested in interest-bearing deposits and treasury accounts with selected banks and building societies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE

The Donkey Sanctuary was founded in 1969 by Dr Elisabeth Svendsen MBE, became a registered charity in 1973 and now operates under the governance of a sole corporate trustee, The Donkey Sanctuary Trustee Limited. The charity operates around the world through a combination of international branches, subsidiary entities, holding bases and collaborations with other like-minded organisations. We carry out a range of fundraising, donkey care and welfare and donkey-assisted therapy activities united under one global Donkey Sanctuary strategy.

As a UK registered charity The Donkey Sanctuary incorporates overseas branches in Ethiopia and Mexico as well as operating a network of six UK donkey-assisted therapy centres. The Donkey Sanctuary's charitable subsidiary undertakings operate in Ireland, Spain, Italy, Cyprus, Kenya and the Netherlands while the charity's UK trading subsidiaries Donkey World Limited and The Hayloft (Donkey Sanctuary) Limited provide additional income from the sale of goods and the operation of catering facilities to visitors to our main sanctuary in Sidmouth and from our two charity shops.

TRUSTEES

The charity has a sole corporate trustee, The Donkey Sanctuary Trustee Limited, and the board consists of nine trustees (who are directors for Companies Act purposes). The trustees all have an interest in the care and welfare of animals but also bring a mix of skills and knowledge necessary for a charity of this size.

Trustees are appointed for a term of three years and can seek re-election. When a trustee vacancy occurs, either as a result of the departure of an existing member or it is felt necessary to strengthen or enlarge the board, new members are sought that will provide the sphere of experience necessary to replace that of the departing member or where it is felt the charity will benefit from additional expertise.

The induction process for any newly appointed trustee comprises an initial meeting with the chief executive officer together with a series of reviews with the appropriate executive and senior management team members to supplement

information provided in their induction pack so as to impart knowledge of the operational and administrative aspects of the charity. Details of trustees' responsibilities are made available to new trustees from Charity Commission publications. Refresher course updates are made available to trustees in order to ensure that they remain aware of charity and governance developments. The trustees meet four times a year together with the executive team at which strategic matters are discussed and considered. Each trustee meeting is planned to last a full day.

A committee structure also operates to enable the trustees and executive team to provide a greater depth of direction and governance on specific parts of the charity. Each trustee will sit on at least one of the committees, although all can attend all meetings if they so wish. Members of the executive team attend the meeting that is most appropriate to their role or specialism. The chief executive officer attends all committee meetings.

The Trustees regularly review governance best practice and they have recently considered the guidance contained within the new Charity Governance Code. The Charity Governance Code (www.charitygovernancecode.org) outlines the governance principles and practices that all charities should aspire to and is designed to help charities and their trustees develop high standards of governance. The charity already applies many of the Code's recommended practices and principles and the Trustees are committed to a programme ensuring full application of the Code with continuous engagement thereafter.

PEOPLE

The Donkey Sanctuary is one of the largest animal welfare charities registered in the United Kingdom and the achievements over the past 49 years have been made possible only through the efforts and dedication of its staff and volunteers. The trustees acknowledge that meeting the charity's future objectives will depend on our ability to attract, recruit, reward and retain a continuing supply of talented, well-informed and motivated people. Due to the unique diversity of its activities both in the UK and around the world the charity is extremely complex and requires a workforce that not only shares our values of compassion, collaboration and creativity but also

has the required skills and experience to help fulfil our mission. The salaries we pay recognise the level of complexity and size of the charity. It is with this in mind that the trustees have well-established systems and internal controls in setting the pay and remuneration of all of the charity's staff including key management personnel. Those systems and controls include a review of market salaries each year to benchmark them against the not-for-profit sector and, dependent on the role, we also benchmark against national and local indicators.

To enable the executive team to operate effectively the trustees have put in place a schedule of devolved/delegated responsibilities which clearly set out what the chief executive officer and the executive team are authorised to act upon without recourse to the trustees. Any approval required for an item of expenditure, contractual term or commitment that is outside the scope of this schedule must be put before the board of trustees for their approval.

OBJECTIVES AND ACTIVITIES

The charitable objects of The Donkey Sanctuary are:

- For the benefit of the public, to relieve the suffering of donkeys, mules and other such animals in need of care and attention anywhere in the world and to provide and maintain rescue homes or other facilities for the reception, care, treatment and security of such animals.
- To promote humane behaviour towards such animals by providing them with appropriate care, protection, treatment and security and to educate the public in their welfare of and the prevention of cruelty and suffering amongst such animals.
- To benefit those persons whose lives are enhanced by working donkeys and mules by improving the health and welfare of such animals.
- To bring enjoyment and pleasure to enrich the lives of children, young people and adults who have additional needs, special educational needs, disabilities or illnesses in order to enhance their education and make their lives better through appropriate provision of facilities for riding, handling or coming into contact with such animals.

- 2017 was the final year of a successful five-year strategy period, and a period that saw the charity grow in a number of areas. Please refer to the 'Considering the Future' section above for detail of our achievements. Our new strategic plan covering 2019–2023 will be published later in 2018.

PUBLIC BENEFIT REQUIREMENT

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

The advancement of animal welfare is specified as an admissible charitable purpose within the Charities Act and is taken to include any purpose directed towards the prevention or suppression of cruelty to animals or the prevention or relief of suffering by animals. Examples of the sorts of charitable purposes falling within this description include:

- Charities promoting kindness and to prevent or suppress cruelty to animals
- Animal sanctuaries
- The provision of veterinary care and treatment
- Charities concerned with the care and rehoming of animals that are abandoned, mistreated or lost
- Feral animal control (e.g. neutering).

The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage is also an admissible charitable purpose within the Charities Act and is taken to include our donkey-assisted therapy activities and our work in many parts of the world where donkeys and mules transport goods and people. Improving the care and welfare of the animals directly impacts on the lives of those that depend on them.

The trustees are satisfied that the aims and objectives of the charity and the sections that follow demonstrate how The Donkey Sanctuary met its charitable purposes in 2017, and how its principal achievements under its respective areas of charitable activity meet the public benefit requirements.

CONNECTED CHARITIES

The Elisabeth Svendsen Trust for Children and Donkeys.

Charity Number 801070. Charity objects: To bring together children and adults with additional needs with donkeys.

The International Donkey Protection Trust

Charity Number 271410. Charity objects: To help donkeys and mules anywhere in the world and to ease their suffering through by care and the education of their owners.

On 21 December 2010 the Charity Commission granted a Scheme under which The International Donkey Protection Trust (IDPT) would be incorporated within the charity. Under this uniting direction, IDPT shall be treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

On 2 December 2011 the Directors of The Donkey Sanctuary Trustee Limited ("The Company") and the Incorporated Trustees of The Elisabeth Svendsen Trust for Children and Donkeys (EST) agreed to proceed with the merging of EST's activities into those of The Donkey Sanctuary, with the intention that The Company would act as Trustee of both The Donkey Sanctuary and EST.

On 21 December 2011 the Charity Commission granted a Scheme under which EST would be incorporated within The Donkey Sanctuary, and agreed to the new objects for the merged charity. The effective date of the Scheme was 1 January 2012 and under this uniting direction EST is treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

SUBSIDIARY UNDERTAKINGS

The Donkey Sanctuary has ten subsidiary undertakings. Full details in respect of the subsidiaries' activities and performance can be found in Note 24 of the accounts.

APPROVAL

This report was approved by the trustees on

22 June 2018 and signed on its behalf by:



Robert Crawford, Trustee
The Donkey Sanctuary Trustee Limited.



Stuart Reid, Trustee
The Donkey Sanctuary Trustee Limited.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under the trust deed and rules of the charity and charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the excess of the group's excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the group and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP
Plym House
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United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE DONKEY SANCTUARY

Opinion on financial statements

We have audited the group and charity financial statements of The Donkey Sanctuary ("the charity") for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, balance sheets, consolidated statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2017 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

- Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:
- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.
- We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 34, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Brokenshire

Ian Brokenshire
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Plym House
3 Longbridge Road
Plymouth
PL6 8LT

11 July 2018

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments:					
Donations and legacies	2	33,089	673	33,762	35,044
Other trading activities	3	2,879	–	2,879	2,476
Income from investments	4	675	–	675	670
		36,643	673	37,316	38,190
Other income:					
Gain on disposals of fixed assets		90	–	90	25
Other income		153	–	153	128
Total income		36,886	673	37,559	38,343
Expenditure on raising funds	5	8,573	–	8,573	7,212
Expenditure on charitable activity:	6				
Rescue and rehoming		20,471	274	20,745	19,241
Donkeys in the community		4,057	215	4,272	4,062
Human–donkey interactions		3,586	235	3,821	3,374
Total expenditure on charitable activity		28,114	724	28,838	26,677
Total expenditure before net gains & losses on investments	6	36,687	724	37,411	33,889
Net income before net gains & losses on investments and other recognised gains and losses		199	(51)	148	4,454
Net gains on investments		1,641	–	1,641	1,930
Net income before other recognised gains and losses		1,840	(51)	1,789	6,384
Gains/(losses) on foreign currency translation		181	–	181	558
Net income		2,021	(51)	1,970	6,942
Reconciliation of funds:					
Total funds brought forward		73,271	2,900	76,171	69,229
Total funds carried forward	20	75,292	2,849	78,141	76,171

All of the activities relate to continuing operations.
The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2017

	Notes	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Fixed assets:					
Intangible assets	11	1,327	1,194	1,308	1,170
Tangible assets	12	30,449	27,263	26,328	23,338
Investments	13	24,963	23,753	25,113	23,903
Total fixed assets		56,739	52,210	52,749	48,411
Current assets:					
Stocks	14	701	540	223	213
Debtors	15	15,522	16,051	15,986	15,940
Short term deposits		3,553	6,602	3,553	6,602
Cash at bank and in hand		3,798	3,279	2,179	1,844
Total current assets		23,574	26,472	21,941	24,599
Current liabilities:					
Creditors: Amounts falling due within one year	16	2,172	2,511	1,497	1,717
Net current assets		21,402	23,961	20,444	22,882
Net assets		78,141	76,171	73,193	71,293
The funds of the charity:					
Restricted income funds	20	2,849	2,900	2,849	2,900
Unrestricted income funds:					
Designated funds	21	32,395	29,909	27,834	25,494
General fund	20	42,897	43,362	42,510	42,899
Total unrestricted income funds		75,292	73,271	70,344	68,393
Total group/charity funds		78,141	76,171	73,193	71,293

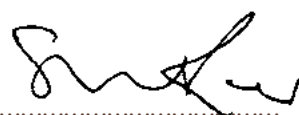
The accompanying notes form an integral part of the financial statements.

Signed for and on behalf of The Donkey Sanctuary Trustee Limited on

22 June 2018



Robert Crawford, Trustee.
The Donkey Sanctuary Trustee Limited



Stuart Reid, Trustee.
The Donkey Sanctuary Trustee Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	1,068	3,492
Cash flows from investing activities			
Interest received		4	20
Dividends, interests and rents from investments		666	634
Purchase of investments		(2,669)	(2,967)
Purchase of intangible fixed assets		(313)	(201)
Purchase of property, plant and equipment		(4,569)	(4,240)
Proceeds from the sale of property, plant and equipment		145	49
Proceeds from the sale of investments		2,102	2,418
Net transfer of fixed asset investments from/(to) short-term cash deposits		1,000	2,063
Net cash used by investing activities		(3,634)	(2,224)
Change in cash and cash equivalents in the reporting period		(2,566)	1,268
Cash and cash equivalents at the beginning of the period		9,881	8,578
Change in cash and cash equivalents due to exchange rate movements		36	35
Cash and cash equivalents at the end of the period	(ii)	7,351	9,881

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

i. Reconciliation of net income to net cash flow from operating activities.

	2017 £'000	2016 £'000
Net income for the reporting period (as per the statement of financial activities)	1,789	6,384
Depreciation charges	1,197	980
Amortisation charges	151	135
Unrealised gain on fixed asset investments	(1,380)	(2,024)
Loss on the sale of tangible fixed assets	20	20
(Gain)/Loss on the sale of fixed asset investments	(261)	94
Gain on the sale of tangible fixed assets	(102)	(25)
Investment income	(675)	(670)
(Increase)/Decrease in Stock	(161)	30
Decrease/(Increase) in Debtors	531	(1,411)
Decrease in Creditors	(41)	(21)
Net cash provided by operating activities	1,068	3,492

ii. Analysis of cash and cash equivalents

	2017 £'000	2016 £'000
Short-term deposits	3,553	6,602
Cash at bank and in hand	3,798	3,279
	7,351	9,881

The accompanying notes form an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies

a. Basis of accounting

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value and are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) ('the SORP'), the Charities Act 2011 and applicable United Kingdom accounting standards.

The trustees have confidence that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the group continues to adopt the going concern basis in preparing the financial statements as a public benefit entity.

The accounting policies adopted by the group are described below:

b. Consolidation

These financial statements include the results of the charity together with the results of all the charity's branches including those overseas, unless the results of those branches are not significant to the group. Consolidated accounts have been prepared for the year ended 31 December 2017 in accordance with business combinations provisions of FRS 102.

The charity has taken advantage of the exemption contained in section 33.1A of FRS 102, where disclosures need not be given of transactions entered into between two or more members of a group.

In line with the SORP the parent charity has not published its own SOFA and the related notes. See note 25 for details of the parent charity results for the year.

c. Income

Income is included in the statement of financial activities when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

- i. Donations from supporters represent the amounts receivable by the charity from donors during the period. Gift aid on donations is accounted for on an accruals basis.
- ii. Donated assets and other gifts in kind are included in either donations or other trading activities according to SORP guidelines. They are included at the value of the gift received unless it is not practicable to estimate the value of the donated assets until they have been sold on. Where a value is estimated this is the reasonable estimate of the gross value to the charity.
- iii. Donated facilities and services that are consumed immediately are recognised as income, with an equivalent amount recognised as an expense under the appropriate heading in the statement of financial activities. The contribution of general volunteers is not included as income as it is impractical to measure it reliably.
- iv. Legacy income is recognised when it is probable that it will be received. Receipt is normally probable when.
 - a. there has been grant of probate;
 - b. the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
 - c. any conditions attached to the legacy are either within the control of the charity or have been met

-
- v. Residuary legacy income is recognised when the charity is advised by the personal representative of an estate that payment will be made and the amount can be quantified; pecuniary legacy income is recognised on notification; and where a life tenancy exists income is deferred as disclosed in note 23. Payments on account of a legacy, whether received or advised by letter as forthcoming have been treated as incoming resources.
 - vi. Income from investments represents interest arising in the UK and overseas on building society and bank deposits held by the group during the period, and have been included on an accruals basis, together with income from listed investments and government and corporate bonds.
 - vii. Fundraising income represents other fundraising activities carried out by the charity to generate incoming resources which will be used to undertake its charitable activities and includes raffles and fundraising events such as festivals and experience days.
 - viii. Trading income includes the sale of merchandise and catering income net of value added tax. Goods donated for resale are included as income in other trading activities when they are sold and the cash received.

d. Expenditure

Expenditure is included on an accruals basis and incorporates provisions for known liabilities where a legal or constructive obligation existed at the balance sheet date that would commit the group to that expenditure. The purchase of goods and services has been treated as expenditure once the supplier has delivered the goods or performed the service.

- i. Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes. It includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods. Such costs will typically include the costs of seeking donations, grants and legacies, operating membership schemes, staging events and other related costs; contracting with agents to raise funds on behalf of the charity; operating charity shops selling donated and/or bought-in goods; operating our non-charitable trading subsidiaries; advertising, marketing and direct mail materials, including publicity costs not associated with educational material designed wholly or mainly to further the charity's purposes; and investment management costs.
- ii. Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- iii. Support costs represent the cost of certain central or regional support functions that are shared across more than one activity undertaken by the group. Support costs have been allocated between charitable activities and expenditure on raising funds on the basis of headcount, staff time, expenditure levels and the number of supported computer workstations. Details of the costs and basis of the allocations can be found in note 8 to the accounts.
- iv. Governance costs relate to costs associated with the constitutional and statutory requirements of the group and include the costs of external audit, secretariat and other constitutional related costs. Further details of the items included in governance costs are included in note 7 to the accounts.
- v. Grant funding of activities: grants payable are accounted for when paid or charged to the statement of financial activities when a constructive obligation exists, notwithstanding that they may be paid in future accounting periods.

e. Value added tax

Irrecoverable VAT is included in the cost of the items reported in the financial statements.

f. Taxation

The Donkey Sanctuary is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act

2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

g. Operating leases

Rentals payable under operating leases are charged to the statement of financial activities as incurred.

h. Foreign currency

Transactions in foreign currencies are recorded using monthly average rates of exchange. Monetary assets and liabilities are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences are taken to the statement of financial activities.

The results of overseas subsidiary undertakings are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on the translation of the opening net assets and results of the overseas operations are reported in the statement of financial activities as other recognised gains and losses.

i. Pension costs

A Group Personal Pension Scheme was introduced on 1 October 1997 and contributions to this scheme are charged in the accounting period in which they fall due.

j. Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation, and are recognised on the following basis:

- i. Individual intangible assets of a value below £1,000 are not generally capitalised unless they form part of a larger asset; and
- ii. Impairment reviews are undertaken when a development occurs that necessitates the replacement, disposal or otherwise of a particular asset or assets.
- iii. Development expenditure is capitalised in accordance with FRS 102 where work is required to be performed prior to the asset being brought into use.
- iv. Assets under construction are held within intangible fixed assets as appropriate; no amortisation charge is made until the period in which the asset is brought into use.

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life (the useful life is based on our experience of the historic useful life of other intangible assets), as follows:

Software —10% — straight line.

k. Tangible fixed assets and depreciation

- i. Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets are recognised on the following basis:
- ii. Individual fixed assets of a value below £1,000 are not capitalised unless they form part of a larger project;
- iii. The group does not have any assets to capitalise of historic, scientific (including environmental) or artistic importance;
- iv. Impairment reviews are undertaken when a development occurs that necessitates the replacement, disposal or otherwise of a particular asset or assets; and
- v. Assets under construction are held within tangible fixed assets as appropriate; no depreciation charge is made until the period in which the asset is brought into use.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

- | | |
|--|--|
| • Leasehold property | Straight line over the lease term. |
| • Freehold buildings | 2% — straight line. |
| • Equipment, fixtures and fittings | 20% — reducing balance. |
| • Vehicles — cars | 33 $\frac{1}{3}$ % — reducing balance. |
| • Vehicles — tractors and other vehicles | 20% — reducing balance. |

i. Investments

Stocks and shares are included in the accounts at market value. Gains and losses arising on the revaluation of investments are shown in the consolidated statement of financial activities with realised gains and losses on the disposal of fixed asset investments as net gains and losses on investments. Investments in subsidiary undertakings are stated at cost in the charity's balance sheet and eliminated on consolidation in accordance with FRS 102.

m. Stocks

Trading stock: Valued at the lower of cost and net realisable value less provision for obsolete and slow moving stock.

Stock of feed, straw and bedding: Major bought-in items are individually identified and valued at the cost of purchase. Other bought-in items are valued at the lower of cost and net realisable value.

Veterinary supplies and equipment, stores and other stock: Valued at the lower of cost and net realisable value.

n. Debtors

Debtors are measured at the best estimate of the amount expected to be recovered at the reporting date.

o. Creditors

Creditors are measured at the best estimate of the amount that would be required to settle the obligation at the reporting date.

p. Fund accounting

- i. Unrestricted funds are expendable at the discretion of the trustees in furtherance of the charity's objects. If part of an unrestricted fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the trustees' discretion to apply the fund. Income generated from assets held in unrestricted funds has been treated as unrestricted.
- ii. Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the charity. Restricted funds may be restricted income funds, which are expendable at the discretion of the trustees in furtherance of some particular aspect(s) of the objects of the charity. Or they may be capital (i.e. endowment) funds, where the assets are required to be invested, or retained for actual use, rather than expended. Income arising from endowments and restricted income funds has been treated as restricted in its own right unless the terms of the trust allow otherwise.
- iii. Transfers between funds — these may arise when there is a release of restricted funds to unrestricted funds or charges are made from the unrestricted to other funds.

2. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Donations	10,049	113	10,162	9,727
Donated services	296	–	296	476
Legacies	22,744	560	23,304	24,841
	33,089	673	33,762	35,044

3. Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Rental income	31	–	31	23
Sale of donated assets	66	–	66	35
Fundraising income	1,052	–	1,052	976
Trading income	1,730	–	1,730	1,442
	2,879	–	2,879	2,476

4. Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Listed and unlisted investments	539	–	539	495
Fixed term bonds	129	–	129	141
Building society and bank interest	7	–	7	34
	675	–	675	670

5. Expenditure on raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Donations and legacies	5,711	–	5,711	4,914
Fundraising income	879	–	879	794
Trading costs	1,864	–	1,864	1,405
Investment management costs	119	–	119	99
	8,573	–	8,573	7,212

6. Expenditure

	Staff costs £'000 (Note 10)	Other direct costs £'000	Grant funding of activities £'000 (Note 9)	Support costs £'000 (Note 8)	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds						
Donations and legacies	626	3,038	–	2,047	5,711	4,914
Fundraising income	65	512	–	302	879	794
Trading costs	463	1,048	–	353	1,864	1,405
Investment management costs	–	101	–	18	119	99
Expenditure on charitable activities						
Rescue and rehoming	6,758	6,919	160	6,908	20,745	19,241
Donkeys in the community	759	1,371	1,119	1,023	4,272	4,062
Human–donkey interactions	1,963	656	26	1,176	3,821	3,374
Expenditure in support of activities	6,571	5,224	32	(11,827)	–	–
	17,205	18,869	1,337	–	37,411	33,889

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds				
Donations and legacies	5,711	–	5,711	4,914
Fundraising income	879	–	879	794
Trading costs	1,864	–	1,864	1,405
Investment management costs	119	–	119	99
Expenditure on charitable activities				
Rescue and rehoming	20,471	274	20,745	19,241
Donkeys in the community	4,057	215	4,272	4,062
Human–donkey interactions	3,586	235	3,821	3,374
	36,687	724	37,411	33,889

7. Governance Costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Audit and other financial services:				
Audit fees — external audit	39	–	39	30
Audit fees — overseas audit	21	–	21	25
Other services provided by the auditors	31	–	31	27
Trustees' expenses	24	–	24	38
Apportionment of costs supporting governance activities	384	–	384	337
	499	–	499	457

The aggregate amount of reimbursed trustee director expenses was £11k (2016: £13k) in respect of travel accommodation and subsistence for ten (2016: ten) trustee directors during the year, and direct meeting costs of £13k (2016: £25k). There were no trustee director expenses outstanding for reimbursement at the end of the year.

8. Support costs allocation

	Directorate £'000	Finance, legal & admin. £'000	Information technology £'000	Human resources £'000	Supporter services & comms. £'000	Direct support costs £'000	Total 2017 £'000
Expenditure on raising funds							
Donations and legacies	196	213	65	33	1,389	151	2,047
Fundraising income	31	24	7	3	216	21	302
Trading costs	40	32	6	34	179	62	353
Investment management costs	6	4	–	–	8	–	18
Expenditure on charitable activities							
Rescue and rehoming	737	1,574	200	445	1,762	2,190	6,908
Donkeys in the community	173	130	7	134	345	234	1,023
Human–donkey interactions	140	123	37	140	282	454	1,176
	1,323	2,100	322	789	4,181	3,112	11,827
Basis of allocation	Estimated time & expenditure	Estimated time & expenditure	Supported workstations	Headcount	Estimated time & expenditure	Headcount & expenditure	

Expenditure in support of activities includes Governance costs of £499k (2016: £457k). This is included primarily within Directorate and Finance Legal & Admin. Governance costs are shown in note 7.

	Directorate £'000	Finance, legal & admin. £'000	Information technology £'000	Human resources £'000	Supporter services & comms. £'000	Direct support costs £'000	Total 2016 £'000
Expenditure on raising funds							
Donations and legacies	97	192	44	20	1,290	79	1,722
Fundraising income	18	22	5	2	180	12	239
Trading costs	15	21	6	19	142	22	225
Investment management costs	2	4	–	–	5	–	11
Expenditure on charitable activities							
Rescue and rehoming	437	1,488	200	357	1,890	1,666	6,038
Donkeys in the community	92	127	16	114	397	190	936
Human–donkey interactions	73	110	43	116	311	242	895
	734	1,964	314	628	4,215	2,211	10,066
Basis of allocation	Estimated time & expenditure	Estimated time & expenditure	Supported workstations	Headcount	Estimated time & expenditure	Headcount & expenditure	

Direct support costs include the costs of health and safety, property maintenance services and central procurement and logistics, all of which provide support to operational and fundraising functions.

9. Grants and Donations

	Rescue and rehoming £'000	Donkeys in the community £'000	Human– donkey interactions £'000	2017 £'000	2016 £'000
Institutional					
Overseas for the welfare of donkeys					
Africa Network for Animal Welfare — Kenya	–	10	–	10	–
All About Animals — Gambia	–	8	–	8	–
All Creatures Animal Welfare League — Mozambique	–	–	–	–	9
Andean Tapir Fund — Peru	–	7	–	7	–
Animal Nepal	–	116	–	116	80
Arusha Society for the Protection of Animals (ASPA) — Tanzania	–	25	–	25	24
Bonaire Donkey Sanctuary — Dutch Antilles	–	24	–	24	14
Bridging Lanka	–	33	–	33	32
Cheshire Homes (Cheshire Services Ethiopia)	–	–	1	1	10
Cretan Animal Welfare Society — Greece	6	–	–	6	–
Egyptian Society of Animal Friends	–	–	–	–	5
Egyptian Society for the Protection and Welfare of Working Animals	–	56	–	56	212
DHWP — Faculty of Veterinary Medicine at the University of Ethiopia	–	91	–	91	134
FAWCAM (Foundation for Animal Welfare, Cameroon)	–	21	–	21	23
Fundacao Medicina Veterinaria — Brazil	–	78	–	78	–
Greek Animal Welfare Fund	27	–	–	27	26
Greenfound Foundation — Dutch Caribbean	–	–	–	–	9
Highveld Horse Care Unit — South Africa	–	13	–	13	14
Lilongwe Society for the Protection and Care of Animals	–	28	–	28	21
Lupane Youth for Development — Zimbabwe	–	8	–	8	–
McGregor (Eseltjiesrus) Donkey Sanctuary — S. Africa	–	9	–	9	6
Meru Animal Welfare Org (MAWO) — Tanzania	–	45	–	45	40
Mwamfumba Cooperative — Zambia and Zimbabwe	–	17	–	17	46
NSPCA — South Africa	–	47	–	47	29
Palestine Wildlife Society	–	6	–	6	12
Roots & Shoots (Jane Goodall Institute Tanzania)	–	12	–	12	11
Social & Animal Welfare Service — Somaliland	–	14	–	14	11
Tanzania Animal Welfare Charity (TAWEC)	–	22	–	22	5

	Rescue and rehoming £'000	Donkeys in the community £'000	Human–donkey interactions £'000	2017 £'000	2016 £'000
Tanzania Animal Welfare Society (TAWESO)	–	53	–	53	33
The Donkey Sanctuary — India	–	269	–	269	198
The Donkey Sanctuary Welfare Association — India	–	12	–	12	21
University of Milan	–	29	–	29	20
Items £5,000 or less	7	13	–	20	25
	40	1,066	1	1,107	1,070
Institutional					
UK for the welfare of donkeys					
Animal Health Trust	–	–	–	–	18
The Brooke Hospital for Animals	–	–	–	–	38
Progressive Ideas	15	–	–	15	20
University of Bristol	30	–	–	30	25
University of Exeter	–	–	25	25	27
University of Glasgow	75	12	–	87	–
University of Reading	–	41	–	41	–
Items £5,000 or less	–	–	–	–	3
	120	53	25	198	131
Expenditure in support of activities	–	32	–	32	50
Total	160	1,151	26	1,337	1,251

Grants payable to UK and overseas organisations are considered to be part of the costs of activities in the furtherance of the objects of the charity because much of the charity's development programme is carried out through such grants to organisations whose objectives accord with those of the charity. Grants and donations for 2017 include those made to the Association in Egypt (ESPWWA), the Faculty of Veterinary Medicine at the University of Ethiopia and to the Trust in India (The Donkey Sanctuary — India). Committed grants are fully provided for as at 31 December 2017. All grants made are to institutions. Expenditure in support of activities comprises salary costs.

As at 31 December 2017 full provision has been made for the following grants for 2018 and beyond. These research projects had either started or were fully committed to before the period end:

	£'000
Research grant — University of Bristol	33
Research grant — University of Exeter	12
Research grant — University of Glasgow	32
Research grant — University of Reading	12
Research grant — University of Milan	6

10. Staff costs and volunteers

	2017 £'000	2016 £'000
Staff costs for the year were as follows:		
Salary	14,711	13,338
Social security costs	1,461	1,305
Pension contributions	1,033	969
	17,205	15,612

Staff costs include a total of £191k payments for compensation for loss of office (2016: £71k). These are accounted for in the period to which they relate when the liability to pay arises. There were no amounts outstanding for loss of office as at 31 December 2017.

The average number of staff employed during the year was as follows:

	2017 No.	2016 No.	2017 FTE	2016 FTE
Rescue and rehoming	282	279	249	246
Donkeys in the community	81	82	77	78
Human–donkey interactions	106	107	78	80
Fundraising	22	17	20	16
Trading	29	19	19	13
Support activities	218	198	198	177
	738	702	641	610

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2017 No.	2016 No.
£60,001–£70,000	2	1
£70,001–£80,000	1	1
£80,001–£90,000	2	6
£90,001–£100,000	–	–
£100,001–£110,000	1	–
£110,001–£120,000	1	–
£120,001–£130,000	–	1
£130,001–£140,000	1	–
	8	9

Emoluments include salary and benefits-in-kind but exclude pension scheme contributions. 2017 emoluments include a total of £99k payments for compensation for loss of office (2016: £71k).

The total remuneration (including pension scheme contributions) paid to key management personnel in 2017 was £923k. Key management personnel comprise the chief executive and executive management team detailed on p75.

No remuneration was paid to any trustee or to any person connected with them during the year.

We are very grateful for the contribution given by general volunteers to The Donkey Sanctuary. During the year volunteers helped us with a wide range of activities, including the trustees, providing governance, quality time volunteers, fundraising, donkey-assisted therapy and helping in the charity shops. We estimate that volunteers have contributed over 44,000 hours to The Donkey Sanctuary in 2017 (2016: over 41,000). It is not practicable to attach a value to this contribution.

11. Intangible fixed assets: Software

	Group £'000	Charity £'000
Cost		
At 1 January 2017	1,652	1,612
Additions	285	283
Disposals	–	–
Foreign currency translation adjustment	(1)	–
At 31 December 2017	1,936	1,895
Amortisation		
At 1 January 2017	458	442
Charge for the year	151	145
Adjustment for disposals	–	–
At 31 December 2017	609	587
Net book value		
At 31 December 2017	1,327	1,308
At 31 December 2016	1,194	1,170

In the statement of financial activities amortisation is allocated to expenditure on raising funds and expenditure on charitable activity according to the activities that each intangible fixed asset supports. Assets under construction amounting to £272k (2016: £200k) have not been amortised.

12. Tangible fixed assets

Tangible fixed assets — Group

	Leasehold property £'000	Freehold land and buildings £'000	Vehicles and tractors £'000	Equipment fixtures and fittings £'000	Total fixed assets £'000
Cost					
At 1 January 2017	1,804	29,259	4,095	4,412	39,570
Additions	11	2,690	691	907	4,299
Disposals	–	(2)	(508)	(108)	(618)
Foreign currency translation adjustment	–	157	23	40	220
At 31 December 2017	1,815	32,104	4,301	5,251	43,471
Depreciation					
At 1 January 2017	175	6,175	2,937	3,020	12,307
Charge for the year	39	473	310	375	1,197
Adjustment for disposals	–	(1)	(448)	(113)	(562)
Foreign currency translation adjustment	–	40	15	25	80
At 31 December 2017	214	6,687	2,814	3,307	13,022
Net book value					
At 31 December 2017	1,601	25,417	1,487	1,944	30,449
At 31 December 2016	1,629	23,084	1,158	1,392	27,263
The net book value represents fixed assets used for:					
Direct charitable purpose					
Rescue and rehoming	–	20,936	1,104	1,279	23,319
Donkeys in the community	–	28	68	5	101
Human–donkey interactions	1,473	1,927	93	98	3,591
Other purposes					
Fundraising	–	–	–	4	4
Trading	102	1,569	218	230	2,119
Administration and support	26	957	4	328	1,315
	1,601	25,417	1,487	1,944	30,449

Freehold land amounting to £3,707k has not been depreciated (2016: £3,665k) and assets under construction amounting to £1,622k (2016: £4,268k) are included within freehold land and buildings and equipment additions. These have not been depreciated.

Tangible fixed assets — Charity

	Leasehold property £'000	Freehold land and buildings £'000	Vehicles and tractors £'000	Equipment fixtures and fittings £'000	Total fixed assets £'000
Cost					
At 1 January 2017	1,804	25,280	3,260	3,266	33,610
Additions	11	2,634	585	825	4,055
Disposals	–	–	(505)	(111)	(616)
At 31 December 2017	1,815	27,914	3,340	3,980	37,049
Depreciation					
At 1 January 2017	175	5,683	2,247	2,167	10,272
Charge for the year	39	412	262	291	1,004
Adjustment for disposals	–	–	(464)	(91)	(555)
At 31 December 2017	214	6,095	2,045	2,367	10,721
Net book value					
At 31 December 2017	1,601	21,819	1,295	1,613	26,328
At 31 December 2016	1,629	19,597	1,013	1,099	23,338
The net book value represents fixed assets used for:					
Direct charitable purpose					
Rescue and rehoming	–	17,338	919	951	19,208
Donkeys in the community	–	28	61	3	92
Human–donkey interactions	1,473	1,927	93	98	3,591
Other purposes					
Fundraising	–	–	–	4	4
Trading	102	1,569	218	229	2,118
Administration and support	26	957	4	328	1,315
	1,601	21,819	1,295	1,613	26,328

Freehold land amounting to £2,594k has not been depreciated (2016: £2,594k) and assets under construction amounting to £1,592k (2016: £4,266k) are included within freehold land and buildings and equipment additions. These have not been depreciated.

13. Fixed asset investments

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Valuation				
Opening balance	23,753	23,334	23,903	23,484
Additions	2,669	2,967	2,669	2,967
Disposals and withdrawals	(1,842)	(2,511)	(1,842)	(2,511)
Transfers	(1,000)	(2,063)	(1,000)	(2,063)
Unrealised gain	1,383	2,026	1,383	2,026
Closing balance	24,963	23,753	25,113	23,903
Fixed asset investments are detailed below:				
Investments in subsidiary undertakings				
Donkey World Limited				
— 150,000 ordinary shares of £1 each	—	—	150	150
The Hayloft (Donkey Sanctuary) Limited				
— 4 ordinary shares of £1 each	—	—	—	—
Indirect investment in UK listed securities				
UK fixed interest bonds	4,673	4,641	4,673	4,641
Property backed fund	1,294	1,063	1,294	1,063
UK equities	8,671	8,061	8,671	8,061
Cash funds	1,150	800	1,150	800
Alternative assets	928	862	928	862
Indirect investment in overseas listed securities				
International bonds	519	443	519	443
Overseas equities	7,231	6,353	7,231	6,353
Total listed investments	24,466	22,223	24,616	22,373
Other				
Investment management cash accounts	497	530	497	530
Building society deposits	—	—	—	—
Cash-based investment deposits	—	1,000	—	1,000
	24,963	23,753	25,113	23,903

No individual investments held at 31 December 2017 or 31 December 2016 had a market value in excess of 5% of the total market value of listed investments.

Details of the investments in subsidiary undertakings can be found in note 24.

14. Stock

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trading stock	415	331	37	52
Stock of feed, straw and bedding	163	115	108	94
Veterinary supplies, equipment, stores and other	123	94	78	67
	701	540	223	213

£2,709k (2016: £2,493k) has been recognised as expenditure in the statement of financial activities for the above stock items.

15. Debtors and prepayment

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts due from subsidiary undertakings and connected parties	–	–	779	503
Other debtors	11	126	192	212
Income tax recoverable	117	198	117	198
Residual legacies	15,062	15,196	14,608	14,518
Social security and other taxes	–	53	–	53
Prepayments	184	397	178	377
Accrued income	148	81	112	79
	15,522	16,051	15,986	15,940

16. Creditors: amounts falling due within one year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts due to subsidiary undertakings and connected parties	–	–	67	42
Accounts payable	549	838	286	598
Social security and other taxes	453	389	319	255
Other creditors	377	335	202	185
Accruals	793	949	623	637
	2,172	2,511	1,497	1,717

17. Pension scheme

Defined Contribution Scheme

The charity provides a Group Personal Pension Scheme operated by AEGON Scottish Equitable. Three categories of employer contributions operate within the scheme which are tiered according to seniority. The cost for the accounting period is disclosed in note 10. A contribution by all staff is required, with the exception of a small number of longer-serving senior staff who have remained on a non-contributory category. The defined contribution nature of the scheme avoids the potential volatility of employer pension costs experienced by the previously operated defined benefit schemes.

The pension contributions are allocated to activities by direct attribution and via the support cost allocation. The liability and expenditure is allocated to unrestricted funds.

18. Capital commitments

At 31 December 2017 the group had the following contracts for capital commitments that have not been accrued within these accounts, as well as having authorised but not contracted other capital projects for 2018 and beyond:

	2017	2016
	£'000	£'000
Authorised and contracted at period end	–	1,596
Authorised but not contracted at period end	3,291	2,579

Capital commitments that have been authorised and contracted include the final stages of the construction of our visitor facilities. Capital commitments authorised but not contracted by the end of the year include provision for the construction of new arrivals units for donkeys.

19. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	£'000	£'000
Less than one year	44	88
Between one and five years	46	62
More than five years	265	273
	355	423

During the year £79k was recognised as an expense in the profit and loss account in respect of operating leases (2016: £97k).

20. Analysis of movement in funds

Restricted funds

The reserves of the group include restricted funds which comprise income held on trusts to be applied for those specific purposes as described in the table below. The group has sufficient resources held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

The source of the income is represented by funds raised from:

- local or national fundraising activities, all of which have been completed by the end of the period; or
- specific donations or legacies requesting the funds be applied as specified by the donor

Tangible fixed asset funds represent funds received in respect of specific items of equipment, vehicles or capital building projects, all of the funding relating thereto having been spent by the end of the financial year. Each tangible asset fund is amortised so as to match the depreciation rate of the associated asset.

Current asset funds are funds received for which the associated project has yet to commence or had yet to be fully utilised by the end of the financial year. Funds are held in cash at bank and in hand until the project is complete.

Operating cost funds are funds relating to the operational projects (i.e. non capital projects) of the charity and ordinarily are spent before the end of the financial year.

Analysis of movement in funds — Group

Group	Balance at 01.01.17 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds £'000	Other recognised gains £'000	Balance at 31.12.17 £'000
Restricted funds						
Tangible fixed asset funds						
Farm buildings (UK)	366	–	(9)	–	–	357
Veterinary and isolation facilities	955	32	(26)	–	–	961
Veterinary equipment	9	–	(3)	–	–	6
Farm equipment and machinery	17	1	(3)	–	–	15
DAT centres	1,331	–	(34)	–	–	1,297
DAT centre equipment	7	–	(1)	–	–	6
DAT centre vehicles	16	–	(3)	–	–	13
Education and activities vehicles	22	–	(5)	–	–	17
Current asset fund						
Turks & Caicos	171	–	–	–	–	171
DAT centre equipment	6	–	–	–	–	6
Operating cost funds						
Rescue and rehoming	–	205	(205)	–	–	–
Donkeys in the community	–	242	(242)	–	–	–
DAT centres	–	193	(193)	–	–	–
Total restricted funds	2,900	673	(724)	–	–	2,849
Unrestricted funds						
General funds	43,362	36,886	(35,506)	(3,667)	1,822	42,897
Designated funds	29,909	–	(1,181)	3,667	–	32,395
Total unrestricted funds	73,271	36,886	(36,687)	–	1,822	75,292
Total group funds	76,171	37,559	(37,411)	–	1,822	78,141

Analysis of movement in funds — Charity

Charity	Balance at 01.01.17 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds £'000	Other recognised gains £'000	Balance at 31.12.17 £'000
Restricted funds						
Tangible fixed asset funds						
Farm buildings (UK)	366	–	(9)	–	–	357
Veterinary and isolation facilities	955	32	(26)	–	–	961
Veterinary equipment	9	–	(3)	–	–	6
Farm equipment and machinery	17	1	(3)	–	–	15
DAT centres	1,331	–	(34)	–	–	1,297
DAT centre equipment	7	–	(1)	–	–	6
DAT centre vehicles	16	–	(3)	–	–	13
Education and activities vehicles	22	–	(5)	–	–	17
Current asset fund						
Turks & Caicos	171	–	–	–	–	171
DAT centre equipment	6	–	–	–	–	6
Operating cost funds						
Rescue and rehoming	–	205	(205)	–	–	–
Donkeys in the community	–	242	(242)	–	–	–
DAT centres	–	193	(193)	–	–	–
Total restricted funds	2,900	673	(724)	–	–	2,849
Unrestricted funds						
General funds	42,899	34,244	(32,801)	(3,466)	1,634	42,510
Designated funds	25,494	–	(1,126)	3,466	–	27,834
Total unrestricted funds	68,393	34,244	(33,927)	–	1,634	70,344
Total charity funds	71,293	34,917	(34,651)	–	1,634	73,193

21. Designated funds

Designated fund movements — Group

Group	Balance at 01.01.17 £'000	Transferred £'000	Additional approved £'000	Released £'000	Depreciation and disposals £'000	Balance at 31.12.17 £'000
Intangible fixed assets fund	1,647	–	(111)	–	(152)	1,384
Tangible fixed assets fund	28,262	–	3,778	–	(1,029)	31,011
	29,909	–	3,667	–	(1,181)	32,395

Designated fund movements — Charity

Charity	Balance at 01.01.17 £'000	Transferred £'000	Additional approved £'000	Released £'000	Depreciation and disposals £'000	Balance at 31.12.17 £'000
Intangible fixed assets fund	1,623	–	(113)	–	(145)	1,365
Tangible fixed assets fund	23,871	–	3,579	–	(981)	26,469
	25,494	–	3,466	–	(1,126)	27,834

Intangible fixed assets fund — this fund represents the amalgamation of:

- Unrestricted income funds that could only be released by disposing of intangible fixed assets held for charitable use.
- Unrestricted income funds designated for specific future capital projects for which the Trustee has either authorised and contracted or authorised but not contracted the related expenditure as set out in note 18.

Tangible fixed assets fund — this fund represents the amalgamation of:

- Unrestricted income funds that could only be released by disposing of tangible fixed assets held for charitable use.
- Unrestricted income funds designated for specific future capital projects for which the Trustee has either authorised and contracted or authorised but not contracted the related expenditure as set out in note 18.

22. Analysis of net assets

Analysis of net assets — Group

Group	Tangible fixed assets £'000	Intangible fixed assets £'000	Investments £'000	Current assets £'000	Current liabilities £'000	Total group net assets at 31.12.17 £'000
Restricted funds	2,672	–	–	177	–	2,849
Unrestricted funds:						
Designated funds	27,777	1,327	–	3,291	–	32,395
General funds	–	–	24,963	20,106	(2,172)	42,897
	30,449	1,327	24,963	23,574	(2,172)	78,141

Analysis of net assets — Charity

Charity	Intangible fixed assets £'000	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Current liabilities £'000	Total charity net assets at 31.12.17 £'000
Restricted funds	–	2,672	–	177	–	2,849
Unrestricted funds:						
Designated funds	1,308	23,656	–	2,870	–	27,834
General funds	–	–	25,113	18,894	(1,497)	42,510
	1,308	26,328	25,113	21,941	(1,497)	73,193

23. Legacies receivable

At the end of the year the group was entitled to receive an estimated £5,281k (2016: £5,164k) from residual legacies subject to life tenancies. These mainly comprise shares in properties and investments held in trusts. Residual legacies subject to life tenancies are recognised in the accounts once the tenancy restriction is removed.

During the year The Donkey Sanctuary received £2,545 in donations from Kirvan Bond solicitors and £218.07 from Brett–Holt solicitors, both amounts being sundry balances in their client accounts. The Law Society permits these donations to be made to charity, provided that The Donkey Sanctuary agrees to indemnify the solicitors for these donations which it has done.

24. Subsidiaries and related party transactions

Related party transactions

Related parties comprise trustees (and close members of their families), subsidiaries, key management personnel (and close members of their families) and anyone carrying out business in partnership with any of the aforementioned parties.

There are no related party transactions which require disclosure under FRS 102.

Subsidiary undertakings

The Donkey Sanctuary's subsidiaries, El Refugio Del Burrito, Il Rifugio Degli Asinelli O.N.L.U.S, The Donkey Sanctuary (Cyprus) Limited, The Donkey Sanctuary (Ireland) Limited, Stichting The Donkey Sanctuary Nederland, The International Donkey Protection Trust, The Elisabeth Svendsen Trust for Children and Donkeys, The Donkey Sanctuary Kenya, Donkey World Limited and The Hayloft (Donkey Sanctuary) Limited are incorporated into the consolidated accounts in accordance with FRS 102 using the acquisition accounting method.

a. El Refugio Del Burrito

El Refugio Del Burrito (an Association registered in Spain whose registered office is at Avda. Ricardo Soriano, 12, Edif. Marques de Salamanca, 2nd floor—office 8, 29600 Marbella — Malaga (Spain), registered number 170773) qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of El Refugio Del Burrito are:

- John Akers Executive officer of The Donkey Sanctuary
- Mike Baker Executive officer of The Donkey Sanctuary
- Andy Foxcroft Executive officer of The Donkey Sanctuary/Of independent status
- Veronica Sanchez Officer of The Donkey Sanctuary
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of El Refugio Del Burrito relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill—usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	2017	2016
	£'000	£'000
Total income	1,241	1,221
Total cost of charitable activities	(1,182)	(1,213)
Governance cost	(4)	(4)
Total expenditure	(1,186)	(1,217)
Net income for the year	55	4

As at 31 December 2017, El Refugio Del Burrito had net assets of £2,116k (2016: £2,020k). This comprised assets of £2,164k (2016: £2,083k) and liabilities of £48k (2016: £63k).

b. Il Rifugio Degli Asinelli (O.N.L.U.S.)

Il Rifugio Degli Asinelli O.N.L.U.S (an Association registered in Italy whose registered office is at Via Per Zubiena 62, 13884 Sala Biellese, Italy, registered number 42000) qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of Il Rifugio Degli Asinelli O.N.L.U.S are:

- John Akers Executive officer of The Donkey Sanctuary
- Linda Edwards Executive officer of The Donkey Sanctuary (appointed 16 October 2017)
- Andy Foxcroft Executive officer of The Donkey Sanctuary (resigned 8 September 2017)
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of Il Rifugio Degli Asinelli O.N.L.U.S relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	2017	2016
	£'000	£'000
Total income	937	853
Total cost of charitable activities	(875)	(827)
Governance cost	(2)	(2)
Total expenditure	(877)	(829)
Net income for the year	60	24

As at 31 December 2017, Il Rifugio Degli Asinelli O.N.L.U.S had net assets of £1,726k (2016: £1,596k). This comprised assets of £1,975k (2016: £1,837k) and liabilities of £249k (2016: £241k).

c. The Donkey Sanctuary (Cyprus) Limited

The Donkey Sanctuary (Cyprus) Limited (a Company registered in Cyprus whose registered office is at Georgiou Gennadiou, 10A, Agathangelos Court, 2nd Floor, Flat 203, Limassol, Cyprus, registered number HE194261) qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of The Donkey Sanctuary (Cyprus) Limited are:

- John Akers Executive officer of The Donkey Sanctuary (retired 29 January 2018)
- Mike Baker Executive officer of The Donkey Sanctuary (resigned 10 April 2017)
- Linda Edwards Executive officer of The Donkey Sanctuary (appointed 29 January 2018)
- Andy Foxcroft Executive officer of The Donkey Sanctuary (resigned 23 October 2017)
- John Leach Executive officer of The Donkey Sanctuary (appointed 29 January 2018, resigned 20 April 2018)
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of The Donkey Sanctuary (Cyprus) Limited relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	2017	2016
	£'000	£'000
Total income	331	312
Total cost of charitable activities	(327)	(317)
Governance cost	(2)	(2)
Total expenditure	(329)	(319)
Net income/(expenditure) for the year	2	(7)

As at 31 December 2017, The Donkey Sanctuary (Cyprus) Limited had net assets of £44k (2016: £40k). This comprised assets of £56k (2016: £56k) and liabilities of £12k (2016: £16k).

d. The Donkey Sanctuary (Ireland) Limited

The Donkey Sanctuary (Ireland) Limited was incorporated on 21 January 2011 (a company limited by guarantee and registered in Ireland (registered charity CHY11617, registered company 494024) whose registered office is Liscarroll, Mallow, County Cork, Ireland). The company commenced its charitable activities on 1 September 2011 and qualifies as a subsidiary undertaking by virtue of the degree of management and control exerted by The Donkey Sanctuary.

The directors of The Donkey Sanctuary (Ireland) Limited are:

- Linda Edwards Executive officer of The Donkey Sanctuary (appointed 12 October 2017)
- Andy Foxcroft Executive officer of The Donkey Sanctuary (resigned 1 September 2017)
- Denis Healy Of independent status
- Rosemary Polden Of independent status

The income and costs of The Donkey Sanctuary (Ireland) Limited relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	2017	2016
	£'000	£'000
Total income	4,060	3,758
Total cost of charitable activities	(3,900)	(3,738)
Governance cost	(7)	(7)
Total expenditure	(3,907)	(3,745)
Net income for the year	153	13

As at 31 December 2017, The Donkey Sanctuary (Ireland) Limited had net assets of £841k (2016: £662k). This comprised assets of £1,117k (2016: £936k) and liabilities of £276k (2016: £274k).

e. Stichting The Donkey Sanctuary Nederland

Stichting The Donkey Sanctuary Nederland was incorporated on 3 June 2010 (a Foundation registered in Holland whose registered office is Polarisavenue 83 I, 2132 JH Hoofddorp, Holland, registered number 50110152). The foundation commenced its charitable activities on 1 February 2011 and qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of Stichting The Donkey Sanctuary Nederland are:

- John Akers Executive officer of The Donkey Sanctuary
- Mike Baker Executive officer of The Donkey Sanctuary
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of Stichting The Donkey Sanctuary Nederland relate to fundraising for the charitable objectives of The Donkey Sanctuary. Transactions have been included within the consolidated costs of generating voluntary income for The Donkey Sanctuary.

	2017	2016
	£'000	£'000
Total income	2,084	1,908
Total cost of charitable activities	(2,083)	(1,900)
Governance cost	(1)	(8)
Total expenditure	(2,084)	(1,908)
Net income for the year	–	–

As at 31 December 2017, Stichting The Donkey Sanctuary Nederland had net assets of £4k (2016: £4k). This comprised assets of £456k (2016: £293k) and liabilities of £452k (2016: £289k).

f. The Donkey Sanctuary Kenya Limited

The Donkey Sanctuary Kenya Limited was incorporated on 5th March 2010 (a Company limited by guarantee and registered in Kenya whose registered office is at Kenya Society for the Protection & Care of Animals (KSPCA) – Karen office, Langata Road, PO Box 24203–00502, Nairobi, registered number CPR/2009/13322). The company commenced its charitable activities in October 2010 and qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of The Donkey Sanctuary Kenya Limited are:

- Mike Baker Executive officer of The Donkey Sanctuary
- James Duncan Director of The Donkey Sanctuary Trustee Limited (retired 4 July 2017)
- Linda Edwards Executive officer of The Donkey Sanctuary (appointed 30 October 2017)
- Jean Gilchrist Of independent status
- Vijay Varma Of independent status

The income and costs of The Donkey Sanctuary Kenya Limited relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill–usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	2017	2016
	£'000	£'000
Total income	231	260
Total cost of charitable activities	(222)	(292)
Governance cost	(1)	(1)
Total expenditure	(223)	(293)
Net income/(expenditure) for the year	8	(33)

As at 31 December 2017, The Donkey Sanctuary Kenya Limited had net assets of £18k (2016: £11k). This comprised assets of £19k (2016: £13k) and liabilities of £1k (2016: £2k).

g. The International Donkey Protection Trust

Since 1 October 2000, when the objects of The Donkey Sanctuary were amended by the Charity Commission, The Donkey Sanctuary has taken the responsibility for all overseas work previously carried out by the International Donkey Protection Trust (IDPT) and the Trustees of IDPT resolved to pass all funds received by IDPT to The Donkey Sanctuary. However, IDPT still exists as a “shell” charity with the full knowledge and agreement of the Charity Commission (registered number 271410).

On 21st December 2010, the Charity Commission granted a scheme under which The International Donkey Protection Trust would be incorporated within the Charity. Under this uniting direction, IDPT is treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

The income of the International Donkey Protection Trust relates to legacy and donation income generated for the charitable objectives of The Donkey Sanctuary. Transactions have been included within the consolidated voluntary income of The Donkey Sanctuary.

	2017	2016
	£'000	£'000
Total income	215	406
Amount donated to The Donkey Sanctuary	(358)	(417)
Net expenditure for the year	(143)	(11)

As at 31 December 2017, The International Donkey Protection Trust had net assets of £116k (2016: £259k). This comprised assets of £116k (2016: £259k).

h. The Elisabeth Svendsen Trust for Children and Donkeys (EST)

On 2 December 2011 the Trustees of The Donkey Sanctuary Trustee Limited (“The Company”) and the Incorporated Trustees of The Elisabeth Svendsen Trust for Children and Donkeys (“EST”) agreed to proceed with the merging of EST’s activities into those of The Donkey Sanctuary with the intention that The Company would act as Trustee of both The Donkey Sanctuary and EST.

On 21 December 2011 the Charity Commission granted a Scheme under which EST would be incorporated within The Donkey Sanctuary and has agreed to the new objects for the merged charity. The effective date of the Scheme was 1 January 2012 and under this uniting direction, EST is treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011. EST still exists as a “shell” charity with the full knowledge and agreement of the Charity Commission (registered number 801070).

As part of the agreement EST transferred the fair value of its net assets, amounting to £5,112k, to The Donkey Sanctuary on 1 January 2012 and all subsequent donkey–assisted therapy activity has been consolidated into the accounts of The Donkey Sanctuary in accordance with FRS 102.

The income of EST relates to legacy and donation income generated for the charitable objectives of The Donkey Sanctuary. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	2017	2016
	£’000	£’000
Total income	258	263
Amount donated to The Donkey Sanctuary	(380)	(279)
Net expenditure for the year	(122)	(16)

As at 31 December 2017, The Elisabeth Svendsen Trust for Children and Donkeys had net assets of £156k (2016: £278k). This comprised assets of £156k (2016: £278k).

i. Donkey World Limited

Donkey World Limited “the Company”, registered number 4452098, was incorporated on 30 May 2002 and commenced trading on 1 October 2002 to conduct trading activities in support of the charitable objects of The Donkey Sanctuary and The Elisabeth Svendsen Trust for Children and Donkeys. The principal activity is the sale of merchandise by mail order through a catalogue and the internet and sales at our visitor centres.

The Donkey Sanctuary holds 150,000 Ordinary Shares of £1 each in Donkey World Limited, the shares representing a holding of 100% in the Company.

The directors of Donkey World Limited are:

- Mike Baker Executive officer of The Donkey Sanctuary
- John Dale Of independent status (resigned 25 October 2017)
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The directors have agreed that the Company, by virtue of its principal objects, will distribute by way of charitable donations the majority of its retained profit for the year to its 100% parent undertaking — The Donkey Sanctuary. On this basis charitable donations amounting to £248k (2016: £191k) were accrued in the consolidated results of The Donkey Sanctuary for the year.

The following are extracts from Donkey World Limited’s financial statements:

	2017 £'000	2016 £'000
Turnover	998	887
Cost of sales	(396)	(338)
Gross profit	602	549
Other income	17	4
Administration and other costs	(371)	(362)
Taxation	–	–
Net income	248	191
Amount donated to The Donkey Sanctuary	(248)	(191)
Retained profit	–	–

As at 31 December 2017, Donkey World Limited had net assets of £165k (2016: £164k). This comprised assets of £1,018k (2016: £816k) and liabilities of £853k (2016: £652k).

j. The Hayloft (Donkey Sanctuary) Limited

The Hayloft (Donkey Sanctuary) Limited, “the Company”, registered number 06807104, was incorporated on 2 February 2009 and commenced trading on 1 April 2009 to conduct trading activities in support of the charitable objects of The Donkey Sanctuary. The principal activity is to provide a restaurant and other catering facilities.

The Donkey Sanctuary holds 4 Ordinary Shares of £1 each in The Hayloft (Donkey Sanctuary) Limited. This represents a holding of 100% in the Company.

The directors of The Hayloft (Donkey Sanctuary) Limited are:

- John Akers Executive officer of The Donkey Sanctuary
- David Cook Of independent status
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The Directors have agreed that the Company, by virtue of its principal objects, will distribute by way of charitable donations the majority of its retained profit for the year to its 100% parent undertaking — The Donkey Sanctuary. As the result was a loss for the year no charitable donations were accrued in the consolidated results of The Donkey Sanctuary for the year ended 31 December 2017 (2016: £9k).

The following are extracts from The Hayloft (Donkey Sanctuary) Limited’s financial statements:

	2017 £'000	2016 £'000
Turnover	709	517
Cost of sales	(647)	(408)
Gross profit	62	109
Other income	1	–
Administration and other costs	(151)	(100)
Taxation	–	–
Net income	(88)	9
Amount donated to The Donkey Sanctuary	–	(9)
Retained profit/(loss)	(88)	–

As at 31 December 2017, The Hayloft (Donkey Sanctuary) Limited had net liabilities of £88k (2016: £nil). This comprised assets of £40k (2016: £53k) and liabilities of £128k (2016: £53k).

25. Parent charity

In line with the SORP the parent charity has not published its own SOFA and the related notes. Details of the charity's own income and results are as follows:

	2017	2016
	£'000	£'000
Total income	34,917	35,679
Expenditure on raising funds	(7,061)	(5,961)
Expenditure on charitable activities	(27,590)	(25,273)
Total expenditure before net gains/losses on investments	(34,651)	(31,234)
Net gains on investments	1,641	1,930
Net income before other recognised gains and losses	1,907	6,375

REFERENCE AND ADMINISTRATIVE DETAILS

GOVERNING INSTRUMENT

The Donkey Sanctuary is registered with the Charity Commission as a charity and the first trustees were appointed by a trust deed dated 10 September 1974. The power of appointing a new trustee is invested in the surviving or continuing trustees, for the time being. The sole corporate trustee is The Donkey Sanctuary Trustee Limited, a company limited by guarantee. The Donkey Sanctuary Trustee Limited is governed by its Memorandum and Articles of Association.

Charity Registration Number	264818
Corporate Trustee Company Registration Number	07328588
Registered Office	Slade House Farm, Sidmouth, EX10 0NU

BOARD OF TRUSTEES (WHO ARE DIRECTORS FOR COMPANIES ACT PURPOSES)

The trustees who served throughout the year and up to the date of the approval of the Trustees' Report and Accounts comprised:

- Natalie Cook
- Robert Crawford
- Jim Duncan (retired 6 June 2017)
- Rosemary Gillespie
- Susan Griffin
- David Howarth
- Christine Purdy
- Stuart Reid (Chair)
- John Sewell–Rutter
- Bill Tetlow

CHIEF EXECUTIVE AND EXECUTIVE MANAGEMENT TEAM

The executive management team to whom day to day management of the charity is delegated by the trustees and who served throughout the year and up to the date of the approval of the Trustees' Report and Accounts comprised:

- John Akers Director and Solicitor
- Mike Baker Chief Executive
- Annie Brown Director Rescue & Rehoming (appointed 11 September 2017)
- Faith Burden Director Research & Operational Support (appointed 27 March 2017)
- Linda Edwards Executive Director Operations (appointed 2 October 2017)
- Andy Foxcroft Director Care & Welfare (resigned 8 September 2017)
- Andrew Hibbert Interim Executive Director of Resources (appointed 27 March 2017, resigned 28 July 2017)
- John Leach Executive Director of Resources (appointed 10 July 2017, resigned 1 May 2018)
- Gill Minns Director Management Services (resigned 31 January 2017)
- Zoe Norris Deputy Director Marketing Communications (appointed 1 December 2017)
- Marianne Steele Senior Executive Director Marketing Communications
- Caron Whaley Director Donkey Assisted Therapy
- Chris Young Director of Finance

Investment Managers	Investec Wealth & Investment Limited, 2 Gresham St, London, EC2V 7QN
Bankers	Barclays Bank plc, 40 High Street, Sidmouth, Devon, EX10 8EB
Solicitors	Gilbert Stephens, 7 Broad Street, Ottery St Mary, Devon, EX11 1BS
Auditor	KPMG LLP, Plym House, 3 Longbridge Road, Plymouth, PL6 8LT

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THE DONKEY SANCTUARY

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The Donkey Sanctuary was founded by Dr Elisabeth Svendsen MBE in 1969. The Donkey Sanctuary (registered charity number 264818) and its sole corporate trustee, The Donkey Sanctuary Trustee Limited (Company number 07328588), both have their registered office at Slade House Farm, Sidmouth, EX10 0NU. Linked charities: The Elisabeth Svendsen Trust for Children and Donkeys (EST); The International Donkey Protection Trust (IDPT).